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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

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MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
WWC LICENSE LLC ("WESTERN WIRELESS
CORPORATION") FOR DESIGNATION AS
AN ELIGIBLE TELECOMMUNICATIONS
CARRIER AND REDEFINITION OF RURAL
TELEPHONE COMPANY SERVICE AREA

DOCKET NO. T-04248A-04-0239

**ALECA'S COMMENTS TO
SECOND SUPPLEMENTAL
STAFF REPORT**

Pursuant to the March 7 and 16, 2007, Procedural Orders issued in this docket, the Arizona Local Exchange Carriers Association ("ALECA"), through counsel undersigned, hereby files its responsive comments to the January 26, 2007, Second Supplemental Staff Report and to WWC License LLC's ("WWC-Alltel") March 2, 2007 filing.

BACKGROUND

On April 15, 2005, the Arizona Corporation Commission's ("Commission") Utilities Division ("Staff") issued its Supplemental Staff Report recommending approval of WWC-Alltel's Application for Designation as an Eligible Telecommunications Carrier ("ETC") ("Application") with revised conditions and reporting requirements. In its May 13, 2005 Response to Staff's Supplemental Report, while still not supportive of Alltel's Application for the reasons stated therein (which ALECA will not repeat in this response), ALECA stated that if the Commission was going to grant WWC-Alltel's Application, Staff's recommended eligibility and reporting requirements were essential and should be adopted. On August 23, 2005, a Recommended Opinion and Order ("ROO") was docketed. The ROO recommended approval of the Application subject to the revised conditions and reporting requirements set forth in the Supplemental Staff Report. As such, ALECA did not file any exceptions to the ROO. The ROO was never considered by the Commission.

On January 26, 2007, Staff filed a Second Supplemental Staff Report which

Snell & Wilmer

LLP

LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

recommended approval of six additional eligibility conditions in light of the complaint proceeding filed against Western Wireless Holding Company, Inc. on September 17, 2004 at the Colorado Public Utilities Commission ("Colorado Proceeding.") On March 2, 2007, WWC-Alltel filed comments indicating that it would abide by all of the eligibility conditions set forth in the ROO, as well as the six additional conditions set forth in the Second Supplemental Staff Report. Consequently, WWC-Alltel has requested that an amended ROO be issued to incorporate the six additional conditions.

ALECA'S COMMENTS

Although ALECA is still not supportive of the Application for the reasons set forth in its previous filings in this docket, ALECA acknowledges that the additional eligibility conditions and reporting requirements recommended by Staff in both the Supplemental Staff Report and the Second Supplemental Staff Report are a significant and an important step forward in addressing the concerns of ALECA regarding the designation of wireless carriers as ETCs. Therefore, in light of the Colorado Proceeding, ALECA agrees with Staff that the ROO should be amended to incorporate the six additional eligibility and reporting requirements set forth in the Second Supplemental Staff Report.

However, because of the Colorado Proceeding, and in order to formulate the comments that it would file regarding the Second Supplemental Staff Report, on February 6, 2007, ALECA issued the following data request to WWC-Alltel:

Please indicate if WWC-Alltel or any of its affiliates are the subject of any complaint, investigation or other proceeding in any jurisdiction (except Colorado) relating to its current or requested ETC designation in such jurisdiction. If so, please fully explain the nature of the proceeding and provide copies of any complaints or notices relating thereto.

After initially objecting to the data request, on March 28, 2007, WWC-Alltel provided to ALECA the following supplemental response:

There is a complaint filed by an individual pending before the North Dakota Public Service Commission alleging poor quality of digital service in his rural residence. The complainant transitioned from analog service to digital service and claims to have experienced degradation of service. Alltel is currently working with the Complainant to address the concerns about digital service

quality. Copies of the various pleadings in the docket are attached.¹

In his October 30, 2006, complaint, the complainant alleges as follows:

This poor quality of phone service is unacceptable in the fact that every phone in this country pays a monthly charge into the Federal Universal Service Fund and telephone companies have access to these dollars to be used for building, maintaining and operating phone systems in high cost areas. Alltel and its parent companies have accessed this federal Universal Service Fund because the North Dakota Public Commission granted them Eligible Telecommunications Carrier status on October 3, 2001, Case No. PU-1564-98-428.

During the period from January 2003 through July 2006, Western Wireless/Cellular One/Alltel has accumulated \$50,788,617 from the fund (see attachment). These dollars are to be used for construction, operations and maintenance of phone systems in high cost areas, like many parts of North Dakota are. My question is, "Where did the money go?" \$50 million is a lot of money to build towers, operate and maintain systems, and not have a consistent quality of phone service.

I am asking for relief of having consistent phone service, especially at my residence. The amount of universal service fund dollars that has been acquired by Alltel evidently has not been used to provide universal service to the citizens of North Dakota. The Public Service Commission needs to conduct a financial audit of these dollars verifying that the money was used as intended or revoke Eligible Telecommunications Carrier status.

On December 4, 2006, Alltel Communications, Inc. filed its answer to the complaint.

On January 24, 2007, the North Dakota Public Service Commission ("NDPSC") issued a Notice of Hearing and set forth three issues to be considered in this matter. They are:

1. Whether the NDPSC has jurisdiction over these matters?
2. Whether Alltel, as an essential telecommunications carrier designated by the NDPSC under Section 49-21-01.7(12) of the North Dakota Century Code and under 47 C.F.R. § 54.201 as promulgated by the Federal Communications Commission under Section 254(c) of the Telecommunications Act of 1996, has met the requirements for service adequacy?
3. Whether, as an essential telecommunications carrier designated by the NDPSC under Section 49-21-01.7(12) of the North Dakota Century Code and under Section 214(e) of the Telecommunications Act of 1996, Alltel has used federal universal service funds as intended under 47 C.F.R. § 54.7 and under Section 254(e) of the Telecommunications Act of 1996?

Although the hearing in this matter was originally scheduled for March 22, 2007, following a prehearing procedural conference on March 7, 2007, the hearing has been continued to allow the parties the opportunity for further discussion regarding options for

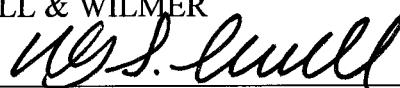
¹ A complete copy of the data request response is attached to these responsive comments.

informal disposition of this matter.

ALECA believes that the subject matter of this complaint is illustrative of the concerns that it has expressed throughout this proceeding with respect to the use of universal service funds by ETC-designated wireless carriers. ALECA does not know whether Staff was aware of this NDPSC complaint proceeding at the time it issued its Second Supplemental Staff Report. If not, ALECA recommends that Staff evaluate this complaint proceeding to determine whether it should revise any of the recommendations set forth in the Second Amended Staff Report.

RESPECTFULLY submitted this 4th day of April, 2007.

SNELL & WILMER



Jeffrey W. Crockett
Bradley S. Carroll
One Arizona Center
400 East Van Buren
Phoenix, Arizona 85004-2202
Attorneys for Arizona Local Exchange Carriers Association

ORIGINAL and thirteen (13) copies filed with
Docket Control this 4th day of April, 2007.

COPY of the foregoing hand-delivered
this 4th day of April, 2007, to:

Teena Wolfe, Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Michael W. Patten
Roshka DeWulf & Patten
One Arizona Center
400 East Van Buren, Suite 800
Phoenix, Arizona 85004

Christopher C. Kempley, Chief Counsel
Maureen Scott
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing mailed
this 4th day of April, 2007, to:

Philip R. Schenkenberg
Briggs & Morgan
2200 First National Bank Building
St. Paul, MN 55101

Ernest G. Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Timothy Berg
FENNEMORE CRAIG, P.C.
3003 North Central Avenue, Ste. 2600
Phoenix, AZ 85012-2913



WWC LICENSE LLC'S ("WWC-ALLTEL")
RESPONSES TO
ARIZONA LOCAL EXCHANGE CARRIERS ASSOCIATION'S ("ALECA")
FIRST SET OF DATA REQUESTS
Docket No. T-04248A-04-0239
March 28, 2007

Q-1-2 Please indicate if WWC-Alltel or any of its affiliates are the subject of any complaint, investigation or other proceeding in any jurisdiction (except Colorado) relating to its current or requested ETC designation in such jurisdiction. If so, please fully explain the nature of the proceeding and provide copies of any complaints or notices relating thereto.

RESPONSE: WWC-Alltel objects to this request as irrelevant and immaterial to the subject matter, and as overly broad and burdensome. Nevertheless, without waiving this objection, WWC-Alltel responds as follows: Any complaints filed against the Company in other states are public information and available to anyone seeking the information.

SUPPLEMENTAL RESPONSE:

There is a complaint filed by an individual pending before the North Dakota Public Service Commission alleging poor quality of digital service at his rural residence. The complainant transitioned from analog service to digital service and claims to have experienced a degradation of service. Alltel is currently working with the Complainant to address his concerns about digital service quality. Copies of the various pleadings in the docket are attached.

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State of North Dakota

Public Service Commission

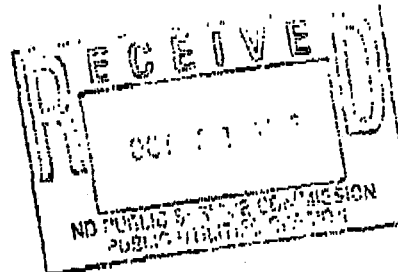
Aaron Krauter
10545 59th St. SW
Regent, ND 58650,
a consumer

Complainant,

vs.

Alltel

Respondent



I am submitting this letter as a formal complaint about the "Quality of service" provided by Alltel according to North Dakota Century Code 49-21-10.2.

On July 19, 2006 I purchased a Palm Treo 650 cellular phone from the Alltel retail store in Dickinson, North Dakota. I was giving up my Motorola bag phone that I had for over ten years. It was explained to me that the Treo 650 would be the latest digital technology with the 911 chip for emergency locating. I knew that my Motorola bag phone was analog and was assured that the digital technology would provide me better service than the outdated analog phone.

Ever since July 19, 2006 my service with the cellular phone has been with limited success. Prior to that date I could use my cellular phone almost anyplace in North Dakota with excellent quality. The clarity of the sound was excellent. The number of dropped calls was minimal. Most importantly I could use the phone in my home, my residence with no problem.

Today, I cannot use the new digital phone in my residence. I have very limited access within a five mile radius of my residence, where I previously had success. The number of dropped calls has gone up 372%. The first month I had 66 dropped phone calls. I have personally lost many financial grain marketing sales with my farming operation because of dropped calls or no service.

I have made several inquiries to the Alltel retail store about this unacceptable service. The responses have been varied; from you must have a bad phone to you should have known that the new cell phone is less wattage. The most ironic ones being the return phone calls from the sales person and our conversations actually being dropped. The phone has been replaced once and reprogrammed, but I still have very limited services. It is obvious that after awhile Alltel hopes the customer just accepts the fact that phone service is what it is.

1 PU-06-458

Pages: 3

Complaint filed

by Aaron Krauter by

10/31/2006

CC: Comm Legal Ilona Tom Annette

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This poor quality of phone service is unacceptable in the fact that every phone in this country pays a monthly charge into the Federal Universal Service Fund and telephone companies have access to these dollars to be used for building, maintaining and operating phone systems in high cost areas. Alltel and its parent companies have accessed this federal Universal Service Fund because the North Dakota Public Service Commission granted them Eligible Telecommunications Carrier status on October 3, 2001, Case No. PU-1564-98-428.

During the period from January 2003 through July 2006, Western Wireless/Cellular One/Alltel has accumulated \$50,778,617 from the fund, (see attachment). These dollars are to be used for construction, operations and maintenance of phone systems in high cost areas, like many parts of North Dakota are. My question is, "Where did the money go?" \$50 million is a lot of money to build towers, operate and maintain systems, and not have a consistent quality of phone service.

I am asking for relief of having consistent phone service, especially at my residence. The amount of universal service fund dollars that has been acquired by Alltel evidently has not been used to provide universal service to the citizens of North Dakota. The Public Service Commission needs to conduct a financial audit of these dollars verifying that the money was used as intended or revoke Eligible Telecommunications Carrier status.

Dated this 30th day of October 2006.

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High Cost Disbursement monthly and yearly accumulated totals of the high cost disbursement data
Jan 2003 through Jul 2006

Study Area Name	HCL	HCM	LAS	ICLS	LSS	LTS	SNA	SVS	Year	Month	Month	Year	Total
Western Wireless	\$465,785	\$0	\$28,976	\$604,888	\$309,187	\$0	\$4,166	\$0	2003	Jul	2003	Jul	\$1,492,988
Western Wireless	\$448,091	\$0	\$20,085	\$507,768	\$387,140	\$0	\$3,289	\$0	2003	Jun	2003	Jun	\$1,446,823
Western Wireless	\$448,091	\$0	\$20,085	\$507,768	\$387,140	\$0	\$3,289	\$0	2003	May	2003	May	\$1,446,823
Western Wireless	\$431,432	\$0	\$18,976	\$507,768	\$387,140	\$0	\$3,289	\$0	2003	Apr	2003	Apr	\$1,401,885
Western Wireless	\$471,908	\$0	\$20,202	\$507,768	\$387,140	\$0	\$5,161	\$0	2003	Mar	2003	Mar	\$1,482,949
Western Wireless	\$471,908	\$0	\$20,202	\$507,768	\$387,140	\$0	\$5,161	\$0	2003	Feb	2003	Feb	\$1,482,949
Western Wireless	\$472,287	\$0	\$18,406	\$507,768	\$387,140	\$0	\$5,161	\$0	2003	Jan	2003	Jan	\$1,481,872
Western Wireless	\$442,364	\$0	\$20,547	\$504,031	\$384,381	\$0	\$1,832	\$0	2003	Dec	2003	Dec	\$1,352,985
Western Wireless	\$444,034	\$0	\$20,547	\$504,031	\$384,445	\$0	\$1,832	\$0	2003	Nov	2003	Nov	\$1,380,728
Western Wireless	\$455,782	\$0	\$20,084	\$504,031	\$384,381	\$0	\$1,832	\$0	2003	Oct	2003	Oct	\$1,363,960
Western Wireless	\$440,891	\$0	\$20,866	\$505,335	\$382,374	\$0	\$5,212	\$0	2003	Sep	2003	Sep	\$1,365,366
Western Wireless	\$440,891	\$0	\$20,866	\$505,335	\$382,374	\$0	\$5,212	\$0	2003	Aug	2003	Aug	\$1,444,307
Western Wireless	\$441,211	\$0	\$20,838	\$481,056	\$382,374	\$0	\$5,212	\$0	2003	Jul	2003	Jul	\$1,278,445
Western Wireless	\$445,859	\$0	\$18,582	\$505,716	\$342,512	\$0	\$5,212	\$0	2003	Jun	2003	Jun	\$1,314,384
Western Wireless	\$460,164	\$0	\$18,402	\$505,716	\$342,512	\$1,935	\$5,212	\$0	2003	May	2003	May	\$1,370,212
Western Wireless	\$437,882	\$0	\$18,936	\$505,716	\$342,512	\$1,935	\$5,212	\$0	2003	Apr	2003	Apr	\$1,297,280
Western Wireless	\$329,886	\$0	\$18,803	\$425,212	\$273,401	\$0	\$5,212	\$0	2003	Mar	2003	Mar	\$1,147,978
Western Wireless	\$353,763	\$0	\$18,503	\$405,119	\$273,401	\$0	\$5,212	\$0	2003	Feb	2003	Feb	\$1,121,743
Western Wireless	\$293,431	\$0	\$17,763	\$644,930	\$273,401	\$0	\$5,212	\$0	2003	Jan	2003	Jan	\$1,130,382
Western Wireless	\$297,635	\$0	\$18,474	\$603,774	\$321,321	\$0	\$5,212	\$0	2003	Dec	2003	Dec	\$1,142,190
Western Wireless	\$380,182	\$0	\$18,474	\$603,774	\$321,321	\$0	\$5,212	\$0	2003	Nov	2003	Nov	\$1,147,978
Western Wireless	\$271,289	\$0	\$18,402	\$603,774	\$321,321	\$0	\$5,212	\$0	2003	Oct	2003	Oct	\$1,104,841
Western Wireless	\$305,885	\$0	\$18,819	\$488,134	\$321,321	\$0	\$1,117	\$0	2003	Sep	2003	Sep	\$1,135,227
Western Wireless	\$305,885	\$0	\$18,819	\$488,134	\$321,321	\$0	\$1,117	\$0	2003	Aug	2003	Aug	\$1,135,227
Western Wireless	\$285,441	\$0	\$22,719	\$488,134	\$321,321	\$0	\$1,117	\$0	2003	Jul	2003	Jul	\$1,128,732
Western Wireless	\$445,763	\$0	\$20,519	\$284,338	\$400,340	\$240,078	\$1,032	\$0	2003	Jun	2003	Jun	\$1,281,688
Western Wireless	\$460,482	\$0	\$20,818	\$228,653	\$422,628	\$240,362	\$1,032	\$0	2003	May	2003	May	\$1,382,763
Western Wireless	\$338,556	\$0	\$26,362	\$228,488	\$285,323	\$177,889	\$1,032	\$0	2003	Apr	2003	Apr	\$1,088,158
Western Wireless	\$336,430	\$0	\$18,128	\$248,620	\$276,375	\$170,744	\$901	\$0	2003	Mar	2003	Mar	\$1,081,289
Western Wireless	\$338,530	\$0	\$18,128	\$248,620	\$276,375	\$170,744	\$901	\$0	2003	Feb	2003	Feb	\$1,084,728
Western Wireless	\$336,530	\$0	\$18,957	\$248,620	\$276,375	\$170,744	\$901	\$0	2003	Jan	2003	Jan	\$1,055,550
Western Wireless	\$306,412	\$0	\$17,463	\$275,981	\$215,795	\$131,929	\$851	\$0	2003	Dec	2003	Dec	\$946,432
Western Wireless	\$306,412	\$0	\$17,463	\$275,981	\$215,795	\$131,929	\$851	\$0	2003	Nov	2003	Nov	\$946,432
Western Wireless	\$275,281	\$0	\$17,822	\$483,705	\$215,795	\$131,929	\$851	\$0	2003	Oct	2003	Oct	\$1,005,988
Western Wireless	\$310,489	\$0	\$17,522	\$453,705	\$215,795	\$131,929	\$851	\$0	2003	Sep	2003	Sep	\$1,005,988
Western Wireless	\$310,489	\$0	\$17,522	\$453,705	\$215,795	\$131,929	\$851	\$0	2003	Aug	2003	Aug	\$1,130,048
WESTERN WIRELESS	\$310,489	\$0	\$17,522	\$453,705	\$215,795	\$131,929	\$851	\$0	2003	Jul	2003	Jul	\$1,146,257
WESTERN WIRELESS	\$389,932	\$0	\$21,819	\$214,104	\$288,659	\$184,068	\$20	\$0	2003	Jun	2003	Jun	\$1,080,223
WESTERN WIRELESS	\$389,932	\$0	\$21,819	\$214,104	\$288,659	\$184,068	\$20	\$0	2003	May	2003	May	\$1,045,575
WESTERN WIRELESS	\$389,932	\$0	\$21,819	\$214,104	\$288,659	\$184,068	\$20	\$0	2003	Apr	2003	Apr	\$1,044,378
WESTERN WIRELESS	\$352,836	\$0	\$0	\$835	\$245,985	\$146,737	\$0	\$0	2003	Mar	2003	Mar	\$746,164
WESTERN WIRELESS	\$352,836	\$0	\$0	\$835	\$245,985	\$146,737	\$0	\$0	2003	Feb	2003	Feb	\$746,164
WESTERN WIRELESS	\$352,836	\$0	\$0	\$835	\$245,985	\$146,737	\$0	\$0	2003	Jan	2003	Jan	\$779,095
Grand Total	\$50,778,517	\$0	\$30,537	\$0	\$245,985	\$146,737	\$0	\$0	2003	Jan	2003	Jan	\$50,778,517

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**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Aaron Krauter vs.
AllTel Corporatlaon
Complaint**

Case No. PU-06-458

AFFIDAVIT OF SERVICE BY CERTIFIED AND ORDINARY MAIL

**STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH**

Sharon Helbling deposes and says that:

she is over the age of 18 years and not a party to this action and, on the 9th day of November, 2006, she deposited in the United States Mail, Bismarck, North Dakota, one envelope with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

Complaint

The envelope was addressed as follows:

**RaeAnn Kelsch
AllTel Corporation
1100 College Dr Ste 107
Bismarck ND 58502
Cert. No. 7005 3110 0003 6265 3488**

Each address shown is the respective addressee's last reasonably ascertainable post office address.

Subscribed and sworn to before me
this 9th day of November, 2006.

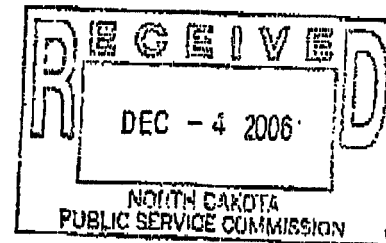
Notary Public

SEAL

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State of North Dakota
Public Service Commission



Aaron Krauter
10545 59th St. SW
Regent, ND 58650

Complainant

vs.

ANSWER
Case No. PU-1-564A8-428

Alltel Communications, Inc.
1 Allied Drive
Little Rock AK 72203

Respondent

Pursuant to NDCC 49-21-10.2¹ and NDAC 69-02-02-03, Alltel Communications, Inc. ("Alltel") submits the following Answer to the complaint of Aaron Krauter as it relates to Alltel's use of Federal Universal Service Support. This Commission designated WWC Holding Co., Inc.² as an Eligible Telecommunications Carrier ("ETC") in certain non-rural telephone company exchanges in Case No. PU-1564-98-428 on December 15, 1999 and in certain rural telephone company study areas on October 3, 2001. Furthermore, the Commission designated WWC Holding Co., Inc. as an ETC in additional rural telephone company study areas by Order dated February 12, 2004.

As an ETC Alltel has, and continues to be, committed to using the funds received "only for the provision, maintenance and upgrading of facilities and services for which such support was intended" as outlined in 47 U.S.C. §254(e). Accordingly, in 2005 Alltel received \$15,426,352 in federal high-cost support, and in turn, invested a total of 30,531,615. Accordingly, Alltel invested an additional \$15,105,263 in capital within the State of North Dakota beyond what was provided for investment as a result of the Federal Universal Service Fund. Similarly, Alltel has received \$14,269,904 in federal high-cost support, year-to-date for 2006, and has in turn invested \$19,678,054 in capital within the State of North Dakota. Accordingly, year-to-date for 2006, Alltel has invested an additional \$5,408,150 beyond what was provided for investment as a result of the Federal Universal Service Fund. Finally, each year since obtaining its designation as an ETC, Alltel has timely filled the requisite annual certification with this Commission, committing to use the federal high-cost funds received for only the provision, maintenance and upgrading of facilities and services

¹ By this Answer, Alltel does not waive its current or future right to dispute the Commission's jurisdiction related to a CMRS carrier's service quality/coverage obligations, if any, under 47 U.S.C. § 332(c).

² As a result of a previous acquisition, WWC Holding Co. Inc., is now a wholly owned subsidiary of Alltel Communications, Inc.

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for which such support was intended. Each year since its designation, and most recently in September 2006, the Commission has certified to the FCC, without objection, Alltel's continued eligibility to receive federal high-cost support in accordance with 47 U.S.C. §254(e).

The receipt of federal high cost support does not immediately equate into, nor does it require, a 100% ubiquitous coverage experience through the State. Fortunately however, Alltel's continued eligibility and receipt of federal high-cost support will allow additional capital expenditures within the State of North Dakota thereby further expanding and enhancing coverage enjoyed by all North Dakotans.

Mr. Krauter's complaint arises from his recent purchase, in July 2006, of a digital handset (Treo 650) as a replacement for his analog Motorola bag phone. At the time of sale, and after, it was explained to Mr. Krauter that although the use of a digital handset would provide certain advantages³, the coverage experience in all areas may not be the same as previously enjoyed. Mr. Krauter's residence is within the existing Alltel network, and upon investigation Mr. Krauter does enjoy the coverage ability to make and receive a call from his residence using equipment available for retail purchase by Alltel.

In an effort to improve Mr. Krauter's coverage experience, Alltel has most recently offered additional equipment (M800 Digital Bag Phone) and a \$9.99 rate plan which would enhance the coverage experience of Mr. Krauter within his residence. Furthermore, Alltel has offered to enhance his mobile coverage through a CYFRE 3 watt booster for Mr. Krauter's vehicle. Alltel remains committed to providing its subscribers with the best coverage experience available through alternative equipment options and features. Furthermore, Alltel remains committed to investing the capital necessary, through a combination of receipt of federal high-cost support and its own private investment, to continually improve the coverage experience enjoyed by all North Dakotans.

Respectfully submitted,

Alltel Communications, Inc.



Rae Ann Kelsch
Regional Manager—Upper Midwest Region

³ The advantages of a digital handset include: (i) the inevitable sunset of analog technology equipment and related support post February 2008; (ii) the efficient use of spectrum by digital technology as opposed to analog; (iii) less power (battery life) required for operation of digital equipment; (iv) ability to offer enhanced voice and data services via digital handset; and (v) the ability to receive enhanced E-9-1-1 Phase II service through use of a digital handset.

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Certification

I certify under penalty of perjury under the laws of the United States of America and the State of North Dakota that the representations and statements made within this Answer are true and correct.



Rae Ann Kelsch

Alltel Communications, Inc.

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OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF NORTH DAKOTA
1707 North 9th Street
Bismarck, North Dakota 58501-1882

Allen C. Hoberg
DIRECTOR

January 19, 2007

701-328-3260
Fax 701-328-3254
oah@state.nd.us
www.nd.gov/oah

Mr. William W. Binck
Chief Counsel
Public Service Commission
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505

Dear Mr. Binck:

Thank you for your January 16, 2007, request of the designation of an administrative law judge from the Office of Administrative Hearings to conduct a hearing in the matter of Aaron Krauter v. Alltel Communications, Inc.. I hereby designate myself, Allen C. Hoberg, to be assigned as an administrative law judge to conduct the hearing in regard to this matter. Because the administrative law judge will not be making recommended findings of fact and conclusions of law, or issuing a recommended order, the person or persons who will be making the final administrative decision in regard to this matter (i.e., agency head, deputy, board, commission) must be in attendance at the hearing.

Please send all additional relevant documents (correspondence, and other pleadings and documents) to the designated administrative law judge in care of the Office of Administrative Hearings, 1707 North 9th Street, Bismarck, North Dakota 58501-1882. I understand the hearing is scheduled for March 22, 2007, beginning at 3:00 p.m., in the Public Service Commission Hearing Room, 600 East Boulevard Avenue, Bismarck. Because the administrative law judge is requested to conduct the hearing only, the agency must give proper notice of the hearing.

Your request has been assigned OAH File No. 20070024. Please include this number on all future documents and correspondence filed for this matter with the Office of Administrative Hearings.

Sincerely,

Allen C. Hoberg
Director

ACH/lmw

cc: Mr. Aaron Krauter
Ms. Rae Ann Kelsch
Alltel Communications, Inc.

03/22/2007 12:18PM

03/22/2007 04:34PM

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Aaron Krauter
AllTel Corporation
Complaint**

Case No. PU-06-458

**NOTICE OF HEARING
January 24, 2007**

On October 31, 2006 Aaron Krauter filed a formal complaint (Complaint) alleging that AllTel Corporation or AllTel Communications, Inc. (collectively AllTel) is providing unacceptable, inconsistent cellular telecommunications service at and near his residence near Regent, North Dakota. Aaron Krauter requests relief in the form of consistent cellular telecommunications service, especially at his residence. Aaron Krauter requests that the North Dakota Public Service Commission (NDPSC) conduct an audit to verify that federal universal service funds received by AllTel have been used as intended or revoke the designation AllTel has received from the NDPSC as a telecommunications carrier eligible to receive federal universal service funds.

On November 8, 2006 the NDPSC determined the Complaint states a *prima facie* case and served the Complaint on AllTel.

On December 4, 2006 Alltel filed its answer to the Complaint.

A public hearing on this matter will be held beginning March 22, 2007 at 3:00 p.m. CST in the NDPSC hearing room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. You can listen to a broadcast of the hearing on the NDPSC website at <http://www.psc.state.nd.us/psc/media/comm-live.html>.

Issues to be considered in this matter include:

1. Whether the NDPSC has jurisdiction over these matters?
2. Whether Alltel, as an essential telecommunications carrier designated by the NDPSC under Section 49-21-01.7(12) of the North Dakota Century Code and under 47 C.F.R. § 54.201 as promulgated by the Federal Communications Commission under Section 254(c) of the Telecommunications Act of 1996, has met the requirements for service adequacy?
3. Whether, as an essential telecommunications carrier designated by the NDPSC under Section 49-21-01.7(12) of the North Dakota Century Code and under Section 214(e) of the Telecommunications Act of 1996, Alltel has used federal universal service funds as intended under 47

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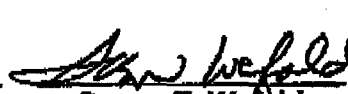
C.F.R. § 54.7 and under Section 254(e) of the Telecommunications Act of 1996?

If a party does not agree with the issues as stated in this Notice of Hearing, within ten days of the receipt of the Notice of Hearing the party must request a prehearing conference to state and further define the issues.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or Relay North Dakota 1-800-368-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify, Ilona Jeffcoat-Sacco, Executive Director, at least 24 hours in advance.

PUBLIC SERVICE COMMISSION


Tony Clark
Commissioner


Susan E. Wehald
President


Kevin Cramer
Commissioner

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APPROVED

MOTION

DATE: 1-24-07
94B

January 24, 2007

**Aaron Krauter
AllTel Corporation
Complaint**

Case No. PU-06-458

I move the Commission adopt the Notice of Hearing in the Aaron Krauter v. AllTel Corporation Complaint; Case No. PU-06-458.

PJF

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STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Aaron Krauter
AllTel Communications, Inc.
Complaint

Case No. PU-06-458

AFFIDAVIT OF SERVICE BY CERTIFIED MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Patricia Miller deposes and says that:

she is over the age of 18 years and not a party to this action and, on the 25th day of January, 2007, she deposited in the United States Mail, Bismarck, North Dakota, two envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and each containing a photocopy of:

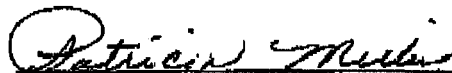
Notice of Hearing

The envelopes were addressed as follows:

Aaron Krauter
10545 59th St SW
Regent ND 58650
Cert. No. 7006 0100 0003 7161 2774

Alltel Communications, Inc.
1 Allied Drive
Little Rock AK 72203
Cert. No. 7006 0100 0003 7161 2767

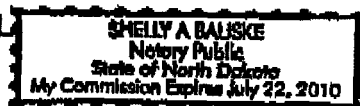
Each address shown is the respective addressee's last reasonably ascertainable post office address.



Subscribed and sworn to before me
this 25th day of January, 2007.


Notary Public

SEAL



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OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF NORTH DAKOTA
1707 North 9th Street
Bismarck, North Dakota 58501-1882

Allen C. Hoberg
DIRECTOR

January 31, 2007

701-328-3260
Fax 701-328-3254
oah@state.nd.us
www.nd.gov/oah

Mr. William W. Biniek
Public Service Commission
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 585058505

Dear Mr. Biniek:

On January 16, 2007, the Commission requested the designation of an administrative law judge to preside as procedural hearing officer in the matter of Aaron Krauter v. Alltel Communications, Inc. (PU-0-6-458). I was designated to preside. The Commission has now amended its request to request the designation of an administrative law judge from the Office of Administrative Hearings preside as substantive administrative law judge, i.e. to conduct the hearing, make recommended findings of fact and conclusions of law, and issue a recommended order in regard to this matter. This change is noted and the designated administrative law judge remains the same. I note further that the hearing for this matter is still scheduled for March 22, 2007, beginning at 3:00 p.m. in the Commission's hearing room.

Please send all additional relevant documents in regard to this matter (correspondence, and other pleadings and documents) to the designated administrative law judge in care of the Office of Administrative Hearings, 1707 North 9th Street, Bismarck, North Dakota 58501.

Your request still has the assigned OAH File No. 20070024. Please include this number on all future documents and correspondence filed for this matter with the Office of Administrative Hearings.

Sincerely,


Allen C. Hoberg
Director

ACH/lmw

cc: Ms. Rae Ann Kelsch
Alltel Communications, Inc.
Mr. Aaron Krauter

03/22/2007 12:18PM

03/22/2007 04:34PM

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Aaron Krauter
AllTel Corporation
Complaint

Case No. PU-06-458
OAH Case No. 20070024

NOTICE OF CONTINUANCE

On March 7, 2007, a telephone prehearing conference was held in this matter, attended by the hearing officer, ALJ Allen Hoberg, Mr. Aaron Krauter, representing himself, and Ms. Rae Ann Kelsch, and attorneys Thomas Kelsch and Sean Simpson for AllTel.

After a brief discussion on the issue of service adequacy, AllTel proposed a postponement of the hearing to allow for further discussion regarding options for informal disposition of this matter. Upon further discussion about a postponement, the parties agreed that the hearing on this matter, scheduled for March 22, 2007, is postponed and continued to a later date. However, the hearing officer imposed a deadline for discussions regarding informal disposition of this matter. If there is no informal disposition of the complaint by 5:00 p.m. on April 9, 2007, the hearing officer will schedule a second prehearing conference as soon after April 9, 2007, as possible. At the second prehearing conference, the parties will discuss with the ALJ the issues for this hearing, proposed witnesses and exhibits for the hearing, hearing procedures, and rescheduling of the hearing.

PUBLIC SERVICE COMMISSION

By Allen C. Hoberg
Administrative Law Judge
Hearing Officer


ALLEN C. HOBERG

03/22/2007 12:18PM

03/22/2007 04:34PM

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Aaron Krauter v.
AllTel Corporation
Complaint**

**Case No. PU-06-458
OAH Case No. 20070024**

The undersigned certifies that true and correct copies of the NOTICE OF
CONTINUANCE were mailed, regular mail, on the 8 day of March, 2007, to:

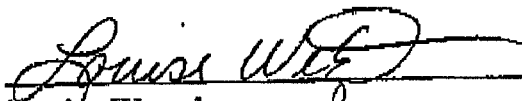
Mr. Aaron Krauter
10545 59th Street SW
Regent, ND 58650

Ms. Rae Ann Kelsch
AllTel
1100 College Drive - Suite 107
Bismarck, ND 58502

and that a true and correct copy of the above document was mailed, inside mail, at
the State Capitol on the 8 day of March, 2007, to:

Ms. Ilona Jeffcoat-Sacco
Executive Director
Public Service Commission
600 East Boulevard Avenue
Bismarck, ND 58505

OFFICE OF ADMINISTRATIVE HEARINGS
Allen C. Hoberg, Administrative Law Judge



Louise Wetzel

03/22/2007 12:18PM

03/22/2007 04:34PM